XaaS Files Podcast_EP10

Podcast Intro [00:00:01] Welcome to Accenture's X-as-a-service files the podcast for business leaders helping their companies transform using innovative digital business models. Here, you'll learn from some of the industry's leading movers and shakers, senior executives from companies around the globe who are changing the way the world works and plays by delivering all types of compelling subscription services. Join your host, Kevin Dobbs, Accenture's X-as-a-service managing director who brings 20 plus years of experience as an entrepreneur, CEO and senior executive to the table. Kevin has led dozens of as a service business transformations for some of the largest technology and industrial companies globally. Now let's get to today's episode.

Kevin Dobbs [00:01:03] Thanks for coming in today to our X-as-a-Service Files podcast. My name is Kevin Dobbs and I run our revenue acceleration practice here at Accenture. Today, we're hoping to learn the secrets behind growing and scaling successful digital businesses. I'm really excited to have Jeff Laue, the founder and CEO of N3, joining us. Accenture recently acquired N3 in September and prior to entry, Jeff was a partner at CSC and also worked at Siemens and Sun. So, Jeff, welcome.

Jeff Laue [00:01:35] Oh, thank you. Kevin, I'm glad to be here.

Kevin Dobbs [00:01:39] So, you know, I think I've been looking forward to our conversation because you really have an interesting perspective, having run your own business for the last 15 years and now working with Accenture on how companies are really trying to build and scale out their subscription businesses. So, I'd just be curious maybe to get started. What have you seen that's really kind of changed, especially with the pandemic? How is B2B selling changed between now and, let's say, the last five years?

Jeff Laue [00:02:12] Well, I think that we've been in this digital transformation of the front office, as we call it, or B2B sales for longer than five years. And if you think about it, anybody who's buying the way they sell things or the way their clients buy things, the world is changing. That, in essence, is digital transformation. We first saw it in SAS software. We have a large Seattle, Washington based client that we brought their key platform to market. And so that way back in 2011, they were changing the whole way that people consumed software, right, software-as-a-service. So, it's a consumption model. So, this whole consumption approach has been moving along. And to your point, about five years ago, it really started to accelerate. If we look at industry segments first in software and platforms, then telco and media, we've seen it in industrial and then what's happened as of recently, you know, if you think about it B2B used to be where you would go out to a client and you would have the inside sales team doing the, running the contact center, and they'd throw a qualified lead at best over the fence. Now it's had to become integrated, right. It's an integrated digital with still the last mile, I'd like to say the intelligent dialog, so B2B buying has become more complex. On average, there's five stakeholders. Gosh, you know, that was the days of the traditional guys and ladies outside sellers you'd wire into your group and your multi-national account. You'd have the primary stakeholder and they'd buy. But things are moving too fast. You know, they all companies have to grow in SMB and mid-market. There's a competitive landscape for sales talent, right? Never in the history of my 15 years or my years as a partner in a consultancy long ago, if we had such sales talent with the labor shortage and the wage inflation. And then let's add to this the technology wars that are going on right now in the sea of monolithic tools. So what's going on is and then finally, if you think about it, we used to be the information source for our B2B buyers. Now we show up and 70 percent of the buyers have the solution made up.

They're more informed than the sellers most of the time, they have more channels. It used to be, well, you would talk to your seller, you might go if you were a system integrator, a consultancy you might talk to Oracle or SAP and they would give you something and then you do it. Now there's multi-channels or through partner. There's any type of digital communication. There's webinars, there's industry seminars, there's text everywhere. So, it is really, really complex. And so, for our sellers, we have to be better informed. And then on top of all this, we've all been struggling worldwide with COVID. And the one thing that we saw change as we went into this, every company, every industry has had to try to do in about a year what should have taken five or six years. Right. And so we're all you know, and so the way we look at it is everybody's kind of got the back office functions done and there's still a lot of transformation that needs to take place in the front office.

Kevin Dobbs [00:06:15] Well, and it's a lot of I think even when the pandemic hit, people still need to grow. People still need to sell and need to buy. And I think a lot of our clients were, you know, our sellers, our partners, our teams can't go out and see the client anymore. So, all of a sudden it was like, you know, if we were a relationship based selling organization, it made it that much harder because all of a sudden I need to adopt these new processes, which I would assume was a big accelerator in your business is because more and more companies are shifting more to kind of digital channels or tele-sales channels than they had in the past.

Jeff Laue [00:06:59] Yeah, oh, it was big for us, I mean, we saw, you know, our engagements going where the you know, the fact that we had digital services, we had more tightly integrate it, and then we saw traditional companies that had only outside sellers come to us and ask us to teach them the inside sales process, you know, how to teach these guys and ladies that are paid a lot, rightfully so, for managing these billion dollar, half-billion dollar relationships. How do we teach them how to use text, use chat to work with an integrated team to be able to do the webinars, to be able to build relationships across Zoom or Teams? You know, how do you do that? And then it just accelerates everything. So, you know, from our organization. Right. We had to become more agile. I mean, we're always agile now, we started moving even faster. We started thinking about more scale because what we had that much more work and we had to figure out how to scale.

Kevin Dobbs [00:08:12] So you work with lots of different types of companies. I'd be curious, so during, let's say, the last 18 months, what kind of characteristics of companies that seem to be doing well in this period of time? What are they doing right in the front office and the sales and marketing area?

Jeff Laue [00:08:33] Well, I mean, I would say that the characteristics I mentioned one earlier, you know, they're agile and scalable. You know, they took a look at their business and they said, wait a minute, we've got to do things differently. You know, if we if we had, you know, account mapping done this way where one person owned FedEx or one person owned Rockwell and it worked that way, they quickly realized that now, Rockwell, FedEx, we're going to get information differently. And they needed to put a team on it and they needed to integrate their digital team with their physical sales team. And the other thing is, you know, everybody was moving to a solution orientation years ago. I guess that was one of the foundations of N3. We were solution-oriented, meaning we didn't come in and sell features. We sold benefits. So the whole COVID phenomenon, we only have two minutes to capture somebody's attention. You had to show up better informed, better prepared. And then from the benefits, you had to communicate business benefits. What was the what is the business proposition? And you had to nail the business proposition on the

head, whether you're doing it through digital tweets or chats to continue that interactive dialog. So, you know, the old well-been-around solution sells. Now it's even more important. And the other thing was and this is where Accenture, I think really we really help clients. There's a sea of monolithic productivity tools out there. Right. And so the most effective organizations that we've seen were platform or platform based and drove things off data insights. And so, you have to have the right platform and you have to look at it with your business design. How's our business design? What does our customer need? How do we need to communicate with them? You know, and it's gone from the world whether they were going through channels where it was more of a supply side, both of information to a demand creation, and then it's gotten even worse. And that there's so much digital communication out there, it's almost become noise. And so, the companies and I don't want to name too many names that had took a platform approach in terms of this is the way our business is organized around our clients. These are the processes that we're going to do. And these are the main technology platforms that we are going to use. I call that platform based. And then, you know, they had to have data and not just have data to look at the data, but enable it with AI and use those insights. You know, they're using their insights to one say, how effective are we effective for this first and then how efficient are we? And so those were really a lot of the things that we realized. And we've had the good fortune of our anchor clients were all cloud based. And so, they were, I would say, the most mature as far as digital inside sales. And so that's why they continue during COVID, to drive the profitability. You know, you look at the operating model most clients or one point seven more times efficient and two point eight times more profitable. And so, you look at those early innovators and now we're seeing the same effect go across all industries.

Kevin Dobbs [00:12:23] Yeah, and I would be interested in kind of your perspective, I know some of your clients are very large kind of subscription based companies. What about the companies who are moving or new to subscription where their kind of insights or observations that you had about if somebody is listening today and they're kind of in a traditional company and we're not offering too much in the way of subscriptions or services, and we want to start building our sales and marketing muscle in that way. Any ideas or recommendations you might pass along?

Jeff Laue [00:13:00] Well, yeah. The first one we always do, it seems basic is what I call the Hippocratic Oath themselves. First, do no harm, right?

Kevin Dobbs [00:13:08] That's a good one

Jeff Laue [00:13:09] to say we have to do this and they'll hire a czar of technology or they'll bring somebody in. That was a CRO that did it at X, Y, Z company, perhaps in the cloud technology space. And they're an industrial. They're making engines or are widgets of some kind. So you first you first do no harm. And then secondly, what we're seeing a lot of them do is they turn to partners and outside help. So, you know, even if you do bring that strong leader in, because the biggest problem with companies like that, especially in COVID and the stress, is they need somebody outside helping with the org change, helping get through the internal politics that go up when you try to, you know, when you're trying to rebuild the plane while you're flying and the people flying need to need to deliver it. And so, we saw a lot of that. And then I'd say it's no different than it's the vision. This is a vision of how we intend to serve our customers, of how they change it. And the other thing is, is the messaging. You know, they sought clarity and what they were messaging for SMB or middle market. You know, they started with kind of a framework, stakes in the ground. And then as they went out, they did a lot they do a lot of AB testing to see what

works. And that that discipline around messaging is, as you're trying to go to inside sales, pays off because you can use your tools. And even if you don't have your tools while you're getting your tools in place and they're doing the daily stand up, you know, the standardization of messaging, you can see what works and what doesn't work. And that's the way you make it work. And then the other basic is, you know, you're listening and communicating to all in the organization as they're changing. And those are the basics. We could probably go on all day. Those are the basics.

Kevin Dobbs [00:15:16] I like the the idea around the messaging. In fact, one of the clients we're working with right now, you know, we were talking to them about a program that they're running. And what was interesting is they're kind of going after a new segment that's different than what they've been doing before. They talked about kind of the whole return to work is a big issue right now for them as well as kind of security. You know, a lot of companies right now, I've had D-DOS attacks. And so, you know, it's how can we take things that are relevant to the clients that are happening in the market today, build them back into the messaging and use that to be a lot more effective in sales. So, I think you're absolutely spot on. The one other thing I wanted to touch on, because N3 not just kind of lead gen and sales, I mean, you're also helping companies with customer success. I'd be interested in kind of what you see with regard to that as well.

Jeff Laue [00:16:16] Yeah, and so if you look at it the way we've always defined it is in a consumption model, right? You get where you're where you first do activation and then you do migration. It applies to more than just downloading and activating your app, which in the corporate world is, you know, from your practice area is very complex. So, what happens then? Customer success? I always back up and say, well, what is customer success? I know that many of my team that, you know, like to get very academic about it, but it's making sure that you create a customer experience. It's making sure that the customer's successful with that product. And so, we've all been to the seminars on customer success and often times it's like you're doing you're trying to land on the moon and you're creating new technology. But the way we see it is it's making sure there's a good customer experience. It's making sure that our clients work for us or anybody that's doing this on their own, that their clients are getting the business benefit from the product or service, that they're having a good customer experience. And it goes as far as when you see customer experience, what are the components of that? Well, what you hope for is a continuous selling motion, right? Your continuously communicating or selling which you can't say that word at a customer success conference because nobody wants to do it. But it's continuous selling after they get the product because the product is a consumption based product. So you have to have a customer experience, ok we'll remove continuous selling and will say continuous communication so that client uses, uses that product. It could be something as simple as in the world of private aviation, which has skyrocketed lately. There's all these service agreements that are out there. There's all these different alternate providers, Netjet, Wheels Up, whatever. Well, what's customer success right there. Their it's their inside sales team have to make sure that they one manage the customer experience and then two they have to make sure that through the communication how'd the flight go. Did this go right? Did this go wrong? What could we do better? How could we do? That's customer success. And oh, by the way, we'll re-inject that sales word, which what customer success really is. By the way, do you want to upgrade to the next jet card plan this or that or you could just throw any industry in and you and I could go back and forth and chart out, you know, the customer success, but it's the same basic principles, you know, what is the customer experience? Are they using the product, which is a subset of training and real time support, not to wait till they call in? And then finally, a continuous suggestive selling motion.

Kevin Dobbs [00:19:13] Yeah, and I think I think it's from the customer's experience and like we're buyers, right? We're used to this. It's like you just want to have that kind of continuous handoff that each of the each of the players in the in the chain of events are all kind of working together. They're working to help you. They're working to guide you and making sure if you've got issues, you know, it's easy to get it fixed. So it's it's almost like I go back to your tentative do no harm. It's almost like, you know, be customer centric. If you if you put yourself in the position of what the customer has got to do, I think I think you'll be in a good spot. All right, Jeff. Well, this this is a great segment. And thank you for your insights on that. And we'll talk to you in the next segment.

Podcast Intro [00:20:02] Thank you for listening to Accenture's X-as-a-service files, please be sure to visit our podcast web site at Accenture dot com X-as-a-service files that's Accenture dot com slash x-a-a-s-f-i-l-e-s, where you can listen to more conversations with other industry leaders about their vision and perspectives on innovative digital business models. You'll also find more great insights from these leaders on our blogs that accompany each episode. And of course, we always appreciate it when you rate and review the show. Be well. And we'll catch you again on the next episode of the X-a-a-S files, where we'll learn about the next venture in the Digital Transformation Business Journey.

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